

## **The Sustainable Growth Rate System: Policy considerations for adjustments and alternatives**

**ISSUE:** Policymakers face an extremely difficult challenge regarding Medicare’s future fees for physician services. Under current law, Medicare’s fees for these services are projected to decline more than 30 percent over the next several years, as required by the sustainable growth rate (SGR) system.

**KEY POINTS:** This session will provide a brief background on the SGR and discusses several policy issues that arise when examining adjustments and alternatives to this current payment approach.

**ACTION:** With this background information and policy discussion, Commissioners may consider potential directions that MedPAC could take in future work on the SGR payment system.

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